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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Patentee: Benigno G. Perez

Patent No.: 6,974,616 Serial No.: 10/790555 Patent Date: 2005-12-13 Filing Date: 2004-03-01

Agent's Doc. No.: PERB27X

Invention Title: THERMOGLUE BINDING TAPE TO PROTECT AND DECORATE CARPET'S EDGES AND BORDERS WITH A FUSE SYSTEM

As article No.: EL58686 | | | | | US EXPRESS MAIL I hereby certify, that on or before the below indicated date, this correspondence is being deposited with the United States Postal Service with sufficient postage in an envelope addressed to the: Commissioner for Patents, P.O. BOX 1450, Alexandria, VA 22313-1450, and/or facsimile (571-273-8300) transmitted to the U.S. Patent and

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Date: MAY 6 2006

SUBJECT MATTER THAT MAY BE DEEMED MATERIAL TO PATENTABILITY <u>UNDER 37 CFR 1.56</u>

Sir:

On March 24, 2006, Benigano G. Perez ("Perez"), a client of mine and Patentee of U.S. Patent Number 6,974,616 B2, faxed me the attached e-mail from Jeffrey H. Greger to Ben Boatwright, subject INSTABIND, and dated March 22, ("e-mail"), which I have reviewed with much interest.

Upon my request, on April 4, 2006, I met with Perez in my office to discuss the e-mail in greater detail. I advised him that the contents of the e-mail may contain subject matter that may be deemed material to patentability by a trier of fact. And, as such, I further advised Perez that it is my obligation to forward a copy of the e-mail directly to the Patent Office for their evaluation.

Thus, attached is the e-mail for your evaluation.

Richard L. Miller 12 Parkside Drive Dix Hills, N.Y. 11746-4879

PHONE #: (631) 499-4343

Respectfully submitted,

Agent for Applicant

N:\WP51\PATCOM\RULE156BP.KP

Date: April 17, 2006

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PERFZ

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Dave Schaible

From:

"Ben Boatwright" <ben@instabind.com>

To:

<daves@bondproducts.com>

Sent

Wednesday, March 22, 2006 8:29 PM

Subject:

Fwd: INSTABIND

Regards,

Ben Boatwright CEO/ Instabind LLC 866-467-8224 Murfreesboro TN USA Time zone: Central

· Original Message — From: 'Jeffrey H. Greger' <jhgreger@IPFirm.com> To: <ben@instabind.com>, <kellyflooring@centurytel.net>, <Brianm@bondproducts.com> Sent: Wed Mar 22 18:17 Subject: Fwd: INSTABIND

Gentlemen, I don't have Dave's email handy, please forward a copy of this to David.

Please note this communication is legally privileged and is attorney client work product and could be strategy in anticipation of legal action. If you do not want to maintain the secretry of this communication please return it without reading it and notify me that you are deleting the communication.

I just received the copies of the Perez patent documents from the US Patent Office. Mr. Perez did file in Peru back in August of 2002 which was subsequent in time to Ben and Kelly's filing date in June of 2002. I have only had time to take a cursory review of the Spanish documentation and the corresponding US translations and later filings. Parez's Initial invention is clearly focused on an Iron and application of pre-made binding using an adhesive to be melted by the Iron. The Intial filling documents do however include one embodiment which is arguably similar to the INSTABIND invention to the extent it describes a welting attached to a flange and apparently to be preapplied with adhesive and attached with an iron. The initial paperwork is very unclear and not specific and clearly, Perez used the actual instabind product to perfect his product and technique which never

Richard L. Miller, PE → PTO OFFICAL FAX 2003/004

mentioned anything about the method disclosed by INSTABIND, namely, the use of a preapplied double face tape for a temporary hold and next a permanent bond using thermoplastic or other adhesive to close the welt and edge of the carpet with a bond and bind by hand application or hot-melt gun or other method.

What I can tell from the documents is as follows. Perez filed his document in Peru in August of 2002. In August of 2003 he filed in the United States and attached the Instabind card brochure showing the finished products and color chart but did not inclose or inform the patent office of the Instabind method or patent pending status. Further Perez had his attorney attach the Multy-edge product literature to the filing and stated that his product was different than the INSTABIND and Multy-edge. What is very interesting is the PTO refused his Initial application based on prior patents which I need to review in more detail. To keep the Perez patent application alive Perez filed a continuation patent application in 2004. What is surprising is his attorney adds a drawing which is clearly a cross section showing the INSTABIND product. This drawing now appears on the face of the issued patent and is captioned drawing number 6 in his patent. This drawing is nowhere to be found in the Perez Initial Peruvian patent application. His attorney copied it from Instabind for sure.

What is even better is the Patent Office Examiner stated in his Allowance of the Perez applicatino for patent that the cole reason for allowing the patent was that the product as shown in ploture number 6 (the instablind product) was the only new and novel matter and on that basis he was going to allow the patent application to mature to a patent. UREKA, we were right all along. Instablind, as we know is the true invention here. I question whether Perez's wide picture binding method is even protectable.

Anyway, where does this leave us. Facing some significant effort and filings with the PTO perhaps. I need to strategize with Mr. Albright. We are on solid ground as best I can tell from the limited review of the papers so far. We appear to have the clear earlier filing date and better and clear disclosure. To the extant Parez came close he may have thought up a pre-applied glaing method combining an iron and welt ettached to a flange similar to instabind but clearly after the time Ben and Kelly filed with the USPTO. There is a possibility the parties could argue over who invented it first in an expensive interference proceeding with the USPTO patent board of interference but we don't want to go there if we don't have to. We could use a typically expensive interference to our advantage if Mr. Albright agrees to move forward without pay and on contingency based on agreement. I would prefer to mature our pending application to a patent with the best and broadest claims Mr. Albright determines is feasible under the circumstances. It may behave us to not inform Perez at all of our pending patent and lay low until our patent issues. All I can tell you is I am very confident that the Boatwright and Huddleston patent application should issue in due course and be considerably broader in claims and force than the Perez patent which is very narrow and gave up a lot during prosecution. The Patent Office refused the Perez application and then his attorney severely limited the claims which should come back to bite him. We are on much stronger ground, priority wise, and substance wise. I can forward the documentation in due course. - Jeff Greger

Please confirm safe receipt of this email.

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(12) INTERNATIONAL APPLICATION PUBLISHED UNDER THE PATENT COOPERATION TREATY (PC1)

(19) World Intellectual Property Organization International Bureau



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(43) International Publication Date 29 January 2004 (29,01,2004)

PCT

(10) International Publication Number WO 2004/008921 A1

50, 5K, 3L, TJ, TM, TR, TT, TZ, UA, UG, US, UZ, VC,

- (51) Interputional Patent Classification? DOID 9/02, 11680 7/10
 - A47G 27/02,
- (21) International Application Number:

PCTYUS2003/020418

- (22) International Filing Date: 30 June 2003 (30.06.2003)
- (25) Fling Languages

(84) Designated States (regional): ARTPO potent (OH, GM, KR, LS, MW, MZ, SD, SL, SZ, TZ, UG, ZM, ZW), Burnaian potent (AM, AZ, BY, KO, KZ, MD, RU, TJ, TM), Binglish

- (26) Publication Language:
- English

(30) Priority Data:

60/392,261 60/411,347

- 1 July 2002 (01.07.2002) 115 10 September 2002 (10.09.2002) US
- Buropean polece (AT. BE, BG, CIL, CY, CZ, DR, DK, Re, ES, FI, FR, GE, GR, HU, III, III, IU, MC, NL, PT, RO, SIL, SI, SK, TR), OAPI potent (DR BJ, CI), CG, CL, CM. GA, GN, GQ, GW, ML, MR, NB, SN, TD, TGD.

VN, YU, 2A, Z\V.

(71) Applicants and

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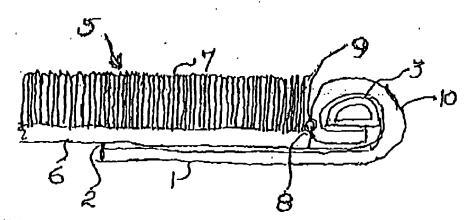
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2004/008921 A1

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- Published with buernational search report
- before the expiration of the time limit for anending the alabas and so be republished by the event of receipt of
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For two-letter codes and other abbreviations, refer to the "Cluidsares Notes on Codes and Abbreviations" appearing at the beginaing of each regular time of the FCT Gazette.

(54) Thus Stitceress on site dinding muthod and manufacture



(57) Abstract: A bledling for a cut carpet edge comprises a binding (purie (1) covered with a double-sided adhesive layer (2) and welling majorial (3) enclosed in a pocket formed by bunding about half the willib of the binding fabric (1) with the adjustice layer (2) strend the welting material (3) and adhering it to itself.

PAGE 4/4 * RCVD AT 5/6/2006 11:02:29 AM [Eastern Daylight Time] * SVR:USPTO-EFXRF-3/21 * DNIS:2738300 * CSID:1 631 499 1198 * DURATION (mm-ss):01-56